

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

PARTIAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 15

The United States Postal Service hereby files this partial response to Presiding Officer's Information Request No. 15, dated March 9, 1998.

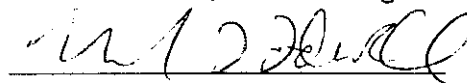
The request is stated verbatim and is followed by the partial response. The Postal Service anticipates completing its response no later than Wednesday, March 18, 1998.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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March 13, 1998

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS SMITH
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 15

1. Please refer to USPS LR-H-77, Part I at page 3, and to Appendix One of the Partial Response of the USPS to ANM/USPS-1-17, as Directed by Presiding Officer's Ruling No. R97-1/69. 1

Please provide the calculations, using the formulae shown in Appendix One, which develop the Base Year mail processing piggyback costs for segment 11 cleaning and protection costs shown in LR-H-77, Part 1, page 3 at column 14. Show the derivation and calculation of all variables used in the formula shown in Appendix One.

Response:

In reviewing the materials pertinent to this question, we found errors in both Appendix One and USPS-LR-H-77 related to the calculation for base year and test year piggyback factors. We are preparing revisions to Appendix One and USPS-LR-H-77, which we anticipate filing no later than Wednesday, March 18, 1998. In conjunction with these revisions, we will file a complete response to this question and to question 2. The overall impact of the revisions is anticipated to be small.

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2. Attachment one is a table showing the TYBR segment 11 cleaning and protection piggyback costs from LR-H-77, by class of mail. The sum total of these costs are compared to the cleaning and protection costs from witness Patelnuas, Workpaper E, Table C at 9-10.

Please explain how the sum total of the piggyback cleaning and protection costs from LR-H-77 for some subclasses of mail can be greater than the total cleaning and protection costs estimated by the roll forward model for those subclasses of mail.

Response:

The sum total of the piggyback cleaning and protection costs from LR-H-77 exceed the costs estimated by the roll forward model for some subclasses because of the errors referred to in response to question 1.

DECLARATION

I, Marc A. Smith, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

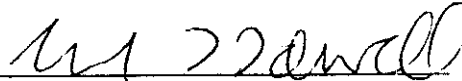


Marc A. Smith

3/13/98
Date

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Michael T. Tidwell

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March 13, 1998